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World Production and Trade

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

WR-30-85

July 24, 1985

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

In the SOVIET UNION, the first grain harvest progress report of the season was issued on July 17. It showed a later and slower start than normal. As of July 15, 9.3 million hectares of small grains and pulses had been cut. Of this, 5.5 million had been threshed. Both figures are the lowest since at least 1981, reflecting the late spring this year and subsequent problems caused by wet weather in some major winter wheat regions.

In KOREA, the Australian Wheat Board's heavy promotion of noodle flour produced from its standard white wheat appears to have resulted in 13,000 tons of sales. Several Korean flour mills had made small, experimental purchases earlier, and at least one mill stated its preference for Australian wheat. The United States has been Korea's traditional supplier of milling wheat, and in July-June 1984/85 year had approximately a 75-percent market share.

U.S. sorghum exports to KOREA in October-September 1984/85 are expected to fall to a three-year low of 100,000 tons. Chinese sorghum, reportedly offered at \$25 per ton less than sorghum from the United States, appears to be responsible for the decline. Chinese sorghum exports do not seem to be affected by export controls recently imposed on corn exports. Korea is expected to import 300,000 tons of sorghum from all sources in October-September 1984/85.

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A bumper grain crop of 1.95 million tons in TUNISIA, up 90 percent from last year, will likely mean much lower grain imports this year, according to recent reports. Wheat production is expected to be 1.2 million tons in 1985/86. Substitution of domestically grown barley (production of which is up 140 percent from 1984/85) in feed will cut into corn imports, and wheat imports could fall by as much as 25 percent. Reports also indicate that no durum wheat imports will be needed in the next 12 months. U.S. wheat exports to Tunisia in the coming year will likely fall to less than 200,000 tons, the lowest level in seven years.

Rice production in the DOMINICAN REPUBLIC this year will not keep pace with consumption for the first time since 1981. A 12-percent reduction in 1985 rice production, combined with a demand-induced stock drawdown, indicate rice imports of up to 25,000 tons will be needed this year.

DAIRY, LIVESTOCK AND POULTRY

JAPAN'S Livestock Industry Promotion Corporation purchased 2,992 tons of grain-fed beef (2,966 from the United States) at the second ordinary beef tender for JFY 1985. According to the U.S.-Japan beef agreement Japan will purchase 44,600 tons of grain-fed beef during JFY 1985. Purchases thus far total 6,824 tons, of which 6,582 tons are from the United States.

The agricultural attache in NEW ZEALAND forecasts meat production (beef and sheep) in 1984/85 will expand 8 percent because of higher slaughter and a record lamb crop. Beef and veal production for 1984/85 is forecast at 514,000 tons or 11.5 percent above the previous season's level. Slaughter of beef cattle has increased in the eastern regions of both islands because of the drought. Herd culling is expected to continue in 1985/86 but production is projected to fall slightly to 506,000 tons due to expected lower carcass weights. However, cattle inventories have continued to expand because of dairy herd growth in areas not affected by the drought.

New Zealand's sheep meat production for 1984/85 is forecast at 674,000 tons or 6 percent above the previous season's output due largely to a record lamb crop. For 1985/86 sheep meat production is projected to decline 4.5 percent to 644,000 tons based on an expected smaller lamb crop due to the drought.

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COTTON

On July 10, INDIA authorized imports of 17,000 tons (78,081 bales) of short and medium staple cotton. The action was taken in response to requests by the Indian textile industry to allow imports of cotton to replenish domestic supplies until 1985 crop Indian cotton is available. All imports will be channeled through the Cotton Corporation of India and will be used for manufacturing coarse- and medium-quality fabrics. India announced an additional long and extra-long staple cotton export quota of 78,081 bales (17,000 tons). Total 1984/85 season quotas now stand at 230,339 bales (50,150 tons). Reports indicate 133,200 bales (29,000 tons) have been exported thus far under these quotas.

FRUITS AND VEGETABLES

The agricultural attache in THAILAND has lowered the 1985 estimates for pineapple area and production in that country to 275,000 hectares and 1,485,000 tons, respectively. This represents a 7-percent cut in area and a 17-percent cut in fresh production from preliminary forecasts released April 24, 1985 (WR 17-85). Below normal precipitation and abnormally cool, spring weather reduced both planted area and yields.

	<u>1984</u>	<u>April 1985 Estimate</u>	<u>Revised 1985 Estimate</u>
Area	271,500	295,000	275,000
Production	1,567,500	1,800,000	1,485,000

WOOD AND WOOD PRODUCTS

U.S. solid wood exports were \$1.1 billion during the first five months of 1985, down 5 percent from the same period in 1984. Notable was the continued growth in the importance of China and South Korea as major markets.

The value of softwood log and wood chip exports during January-May 1985 were up 7 and 13 percent, respectively, over the same period in 1984. Most other major wood products exports declined. Softwood products accounted for 73 percent of the value of U.S. solid wood exports. Exports of softwood products were down 2 percent while hardwood exports declined 17 percent.

The PACIFIC RIM area has become an increasingly important growth market for U.S. wood products exporters. The following table shows that three of the five leading U.S. foreign markets are in that region. Japan remains the largest market with sales of \$428.4 million, 39 percent of the total. Shipments to China were up 35 percent to \$143.0 million and sales to South Korea increased by 20 percent. U.S. wood product exports to Canada and the European markets were down, however, from the first five months of 1984.

U.S. Solid Wood Exports
(Thousands \$U.S.)

<u>Country</u>	<u>January-May 1984</u>	<u>Percent of total exports</u>	<u>January-May 1985</u>	<u>Percent of total exports</u>
Japan	433,862	37	428,350	39
Canada	168,982	14	144,298	13
China	105,644	9	142,298	13
South Korea	41,528	4	49,662	5
West Germany	69,364	6	47,111	4
Italy	42,988	4	33,227	3
United Kingdom	38,493	3	27,770	3
Australia	31,208	3	29,831	3
Mexico	19,820	2	27,623	2
Taiwan	25,204	2	23,874	2
Other countries	192,833	16	154,975	14
Total	1,169,926	100	1,109,713	100

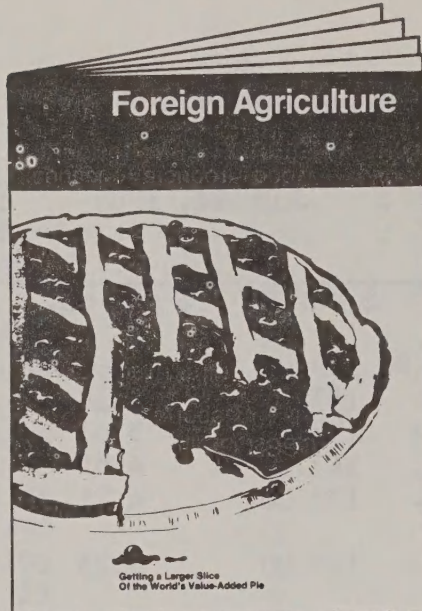
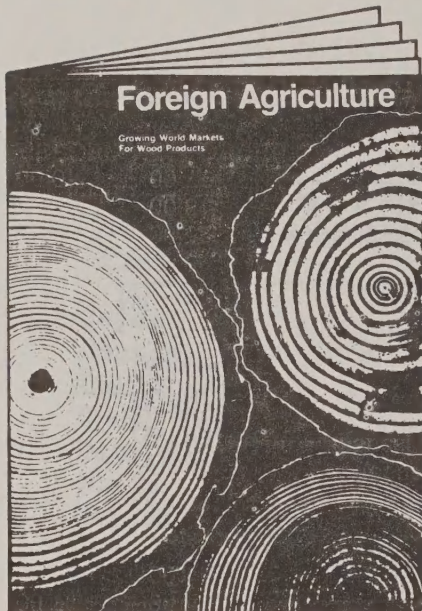
Note: Percent totals may not add due to rounding.

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Selected International Prices

Item	:	July 24, 1985	:	Change from	:	A year
	:		:	previous week	:	ago
ROTTERDAM PRICES 1/		\$ per MT		\$ per MT		\$ per MT
Wheat:						
Canadian No. 1 CWRS-13.5%.9/		169.00	4.60	--		189.50
U.S. No. 2 DNS/NS: 14%....		153.50	4.18	-2.00		178.00
U.S. No. 2 S.R.W.9/		133.50	3.63	-2.50		152.00
U.S. No. 3 H.A.D.....		167.00	4.55	0		182.00
Canadian No. 1 A: Durum...		173.00	4.71	-1.00		191.00
Feed grains:						
U.S. No. 3 Yellow Corn....		127.00	3.23	+1.25		152.50
Soybeans and meal:						
U.S. No. 2 Yellow.....9/		222.70	6.06	-6.30		269.50
Brazil 47/48% SoyaPellets 4/		154.50	--	-.50		187.00
U.S. 44% Soybean Meal....		148.00	--	-1.50		193.00
U.S. FARM PRICES 3/						
Wheat.....		106.91	2.91	-2.20		119.04
Barley.....		64.30	1.40	-11.02		78.54
Corn.....		101.97	2.59	-1.18		128.35
Sorghum.....		N.Q.	--	--		-109.13
Broilers 7/.....		1045.64	--	-97.88		1194.89
EC IMPORT LEVIES						
Wheat 5/.....		104.10	2.83	+8.40		79.45
Barley.....		88.75	1.93	+3.35		73.45
Corn.....		80.65	2.05	+3.65		48.00
Sorghum.....		99.15	2.52	+1.45		76.00
Broilers 4/ 6/ 8/.....		172.00	--	-1.00		159.00
EC INTERVENTION PRICES 7/						
Common wheat(feed quality)		139.55	3.80	- .90		143.10
Bread wheat (min. quality)7/		149.35	4.06	-.95		153.15
Barley and all						
other feed grains.....		139.55	--	-.90		143.10
Broilers 4/ 6/.....		1146.00	--	N.Q.		1137.00
EC EXPORT RESTITUTIONS (subsidies)						
Wheat		N.A.	--	--		10.55
Barley.....		36.30	.79	+4.35		17.20
Broilers 4/ 6/ 8/.....		101.00	--	-1.00		102.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/Reflects change in level set by EC. 9/ October delivery. N.A.=None authorized. N.Q.=Not quoted. Note: Basis October delivery.



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